

PCB FT 06-07

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YEAR

House Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII and the creation of Section 26 of Article XII of the State Constitution to limit the difference between the just value and the assessed value for homestead property, provide for assessing newly established homestead property at less than just value subject to a limitation, and increase the amount of the homestead exemption from \$25,000 to \$50,000.

Be It Resolved by the Legislature of the State of Florida:

That the following amendments to Sections 4 and 6 of Article VII and the creation of Section 26 of Article XII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 4. Taxation; assessments.--By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for

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taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(c) All persons entitled to a homestead exemption under Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. This assessment shall change only as provided herein.

(1) Assessments subject to this provision shall be changed annually on January 1st of each year; but those changes in assessments shall not exceed the lower of the following:

a. Three percent (3%) of the assessment for the prior year.

b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) No assessment shall exceed just value.

(3) The difference between just value and assessed value shall not exceed \$100,000 unless the provisions of paragraph (10) apply.

(4)(3) After any change of ownership, as provided by general law, homestead property shall be assessed at just value as of January 1 of the following year, unless the provisions of paragraph (9) apply. Thereafter, the homestead shall be assessed as provided herein.

(5)(4) New homestead property shall be assessed at just value as of January 1st of the year following the establishment of the homestead, unless the provisions of paragraph (9) apply. That assessment shall only change as provided herein.

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59 ~~(6)-(5)~~ Changes, additions, reductions, or improvements to
60 homestead property shall be assessed as provided for by general
61 law; provided, however, after the adjustment for any change,
62 addition, reduction, or improvement, the property shall be
63 assessed as provided herein.

64 ~~(7)-(6)~~ In the event of a termination of homestead status,
65 the property shall be assessed as provided by general law.

66 ~~(8)-(7)~~ The provisions of this amendment are severable. If
67 any of the provisions of this amendment shall be held
68 unconstitutional by any court of competent jurisdiction, the
69 decision of such court shall not affect or impair any remaining
70 provisions of this amendment.

71 (9) When a person sells or transfers his or her homestead
72 within this state and within one year establishes within the same
73 county another property as his or her new homestead, the newly
74 established homestead property shall be initially assessed at
75 less than just value, as provided by general law. The difference
76 between the new homestead property's just value and its assessed
77 value in the first year the homestead is established shall equal
78 the difference between the prior homestead property's just value
79 and its assessed value in the year of sale or transfer, provided
80 the difference does not exceed \$100,000. However, in no case
81 shall this adjustment result in the new homestead property having
82 an assessed value less than the assessed value of the previous
83 homestead property. Thereafter, the homestead property shall be
84 assessed as provided herein.

85 (10) For a homestead established before January 1, 2007,
86 the difference between just value and assessed value may not

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87 exceed the difference between just value and assessed value that
88 exists on January 1, 2007, plus \$100,000.

89 (d) The legislature may, by general law, for assessment
90 purposes and subject to the provisions of this subsection, allow
91 counties and municipalities to authorize by ordinance that
92 historic property may be assessed solely on the basis of
93 character or use. Such character or use assessment shall apply
94 only to the jurisdiction adopting the ordinance. The requirements
95 for eligible properties must be specified by general law.

96 (e) A county may, in the manner prescribed by general law,
97 provide for a reduction in the assessed value of homestead
98 property to the extent of any increase in the assessed value of
99 that property which results from the construction or
100 reconstruction of the property for the purpose of providing
101 living quarters for one or more natural or adoptive grandparents
102 or parents of the owner of the property or of the owner's spouse
103 if at least one of the grandparents or parents for whom the
104 living quarters are provided is 62 years of age or older. Such a
105 reduction may not exceed the lesser of the following:

106 (1) The increase in assessed value resulting from
107 construction or reconstruction of the property.

108 (2) Twenty percent of the total assessed value of the
109 property as improved.

110 SECTION 6. Homestead exemptions.--

111 (a) Every person who has the legal or equitable title to
112 real estate and maintains thereon the permanent residence of the
113 owner, or another legally or naturally dependent upon the owner,
114 shall be exempt from taxation thereon, except assessments for
115 special benefits, up to the assessed valuation of five thousand

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dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which the interest in the corporation bears to the assessed value of the property.

(c)1. By general law and subject to conditions specified therein, the exemption shall be increased to a total of the following amounts ~~twenty-five thousand dollars~~ of the assessed value of the real estate for each school district levy: thirty thousand dollars with respect to 2007 assessments; thirty-five thousand dollars with respect to 2008 assessments; forty thousand dollars with respect to 2009 assessments; forty-five thousand dollars with respect to 2010 assessments; and fifty thousand dollars with respect to 2011 assessments. In 2012 and each year thereafter, the exemption shall increase annually by the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

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2. By general law and subject to conditions specified therein, the exemption for all other levies may be increased up to an amount not exceeding ten thousand dollars of the assessed value of the real estate if the owner has attained age sixty-five or is totally and permanently disabled and if the owner is not entitled to the exemption provided in subsection (d).

(d) By general law and subject to conditions specified therein, the exemption shall be increased to a total of the following amounts of assessed value of real estate for each levy other than those of school districts: thirty fifteen thousand dollars with respect to 2007 ~~1980~~ assessments; thirty-five ~~twenty~~ thousand dollars with respect to 2008 ~~1981~~ assessments; forty ~~twenty-five~~ thousand dollars with respect to 2009 assessments; forty-five thousand dollars with respect to 2010 assessments; and fifty thousand dollars for 2011 assessments. In 2012 ~~for 1982~~ and each year thereafter, the exemption shall increase annually by the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. However, such increase shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This subsection shall stand repealed on the effective date of any amendment to section 4 which provides for the assessment of homestead property at a specified percentage of its just value.

(e) By general law and subject to conditions specified therein, the Legislature may provide to renters, who are

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permanent residents, ad valorem tax relief on all ad valorem tax levies. Such ad valorem tax relief shall be in the form and amount established by general law.

(f) The legislature may, by general law, allow counties or municipalities, for the purpose of their respective tax levies and subject to the provisions of general law, to grant an additional homestead tax exemption not exceeding twenty-five thousand dollars to any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner and who has attained age sixty-five and whose household income, as defined by general law, does not exceed twenty thousand dollars. The general law must allow counties and municipalities to grant this additional exemption, within the limits prescribed in this subsection, by ordinance adopted in the manner prescribed by general law, and must provide for the periodic adjustment of the income limitation prescribed in this subsection for changes in the cost of living.

ARTICLE XII

SCHEDULE

SECTION 26. Homestead property assessment limitations; increased homestead exemption.--The amendments to Sections 4 and 6 of Article VII, modifying the limitations on the assessment of homestead property and increasing the amount of the homestead exemption, shall take effect January 1, 2007.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTIONS 4 AND 6

ARTICLE XII, SECTION 26

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203 ASSESSMENT OF HOMESTEAD PROPERTY.--Proposing amendments to
204 the State Constitution to limit the difference between the just
205 value and the assessed value of homestead property to \$100,000
206 except property established as homestead property before January
207 1, 2007, for which the difference between just value and assessed
208 value may not exceed the difference between just value and
209 assessed value existing on January 1, 2007, plus \$100,000;
210 provide that homeowners who move from one homestead property to
211 another in the same county would have the new homestead property
212 assessed at up to \$100,000 less than just value depending on the
213 differential between the just value and the assessed value of
214 their previous homestead property; provide for a phased increase
215 in the exemption for homestead property from \$25,000 to \$50,000
216 over 5 years; and schedule the amendments to take effect January
217 1, 2007, if adopted.